

JAN 2 5 2012

A BILL FOR AN ACT

RELATING TO COOPERATIVE FUNDING OF COUNTY MASS TRANSIT PROJECTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The Hawaii Revised Statutes is amended by
2 adding a new chapter to be appropriately designated and to read
3 as follows:

4 "CHAPTER

5 STATE MASS TRANSIT CORPORATION

6 § -1 State mass transit corporation; established. (a)

7 There is established the state mass transit corporation to be
8 placed within the department of transportation for
9 administrative purposes only. The corporation shall be a public
10 body and a body corporate and politic.

11 (b) The corporation shall assist each county in developing
12 and financing mass transit.

13 (c) The corporation shall employ, without regard to
14 chapter 76, an executive director and an executive assistant.
15 The executive director shall be paid a salary not to exceed
16 eighty-five per cent of the salary of the director of human
17 resources development. The executive assistant shall be paid a
18 salary not to exceed ninety per cent of the executive director's



1 salary. The corporation may employ, subject to chapter 76,
2 technical experts and officers, agents, and employees, permanent
3 and temporary, as required. The corporation may also employ
4 officers, agents, and employees, prescribe their duties and
5 qualifications, and fix their salaries, without regard to
6 chapter 76, when in the determination of the corporation, the
7 services to be performed are unique and essential to the
8 execution of the functions of the corporation. The corporation
9 may call upon the attorney general for legal services as it may
10 require. The corporation may delegate to one or more of its
11 agents or employees its powers and duties as it deems proper.

12 § -2 Board; establishment, functions. (a) There is
13 created a board of directors of the state mass transit
14 corporation consisting of nine members, of whom six shall be
15 public members appointed by the governor as provided in section
16 26-34. At least four of the public members shall have knowledge
17 and expertise in transportation issues. At least one public
18 member shall be appointed from each county. The public members
19 of the board shall serve four-year staggered terms; provided
20 that the initial appointments shall be as follows:

21 (1) Two members to be appointed for four years;

22 (2) Two members to be appointed for three years; and



1 (3) Two members to be appointed for two years.
2 The director of transportation and the director of finance and a
3 representative of the governor's office shall be ex officio voting
4 members. The corporation shall be headed by the board.

5 (b) The board of directors shall select a chairperson and
6 vice chairperson from among its members; provided that the
7 chairperson shall be a public member. The director of
8 transportation, the director of finance, and the governor's
9 representative shall be ineligible to serve as chairperson of
10 the board.

11 (c) Five members shall constitute a quorum, whose
12 affirmative vote shall be necessary for all actions by the
13 corporation. The members shall receive no compensation for
14 services, but shall be entitled to reimbursement of expenses,
15 including travel expenses, necessarily incurred in the
16 performance of their duties.

17 § -3 **General powers.** (a) The corporation may:

18 (1) Sue and be sued;

19 (2) Have a seal and alter the same at pleasure;

20 (3) Make and execute contracts and other instruments

21 necessary or convenient to the exercise of its powers;

22 and



1 (4) Adopt bylaws and rules in accordance with chapter 91
2 for its organization and internal management and to
3 carry into effect its purposes, powers, and programs.

4 (b) In addition to other powers conferred upon it, the
5 corporation may do all things necessary and convenient to carry
6 out the powers expressly provided in this chapter.

7 § -4 Bonds; authorization. (a) The corporation, with
8 the approval of the governor, may issue from time to time bonds
9 (including refunding bonds to pay, retire, or provide for the
10 retirement of bonds previously issued by the corporation) in
11 amounts not exceeding the total amount of bonds authorized to be
12 issued by the legislature for any of its corporate purposes.

13 (b) All bonds shall be issued pursuant to part III of
14 chapter 39, except as provided in this chapter.

15 (c) The bonds shall be issued in the name of the
16 corporation, and not in the name of the State. The final
17 maturity date of the revenue bonds may be any date not exceeding
18 sixty years from the date of issuance.

19 (d) The corporation may issue such types of bonds as it
20 may determine, including without limitation bonds payable from
21 and secured, in whole or in part, by:



- 1 (1) Receipts derived from any grant from the federal
- 2 government made in aid of a mass transit project or
- 3 projects financed from the proceeds of bonds;
- 4 (2) Moneys in any funds or accounts established in
- 5 connection with the issuance of bonds, and any
- 6 earnings thereon;
- 7 (3) Proceeds derived from any insurance;
- 8 (4) Income and revenues of the corporation generally; or
- 9 (5) Any combination of paragraphs (1) through (4).

10 The provisions of this subsection are in addition and
11 supplemental to part III of chapter 39.

12 (e) Any pledge made by the corporation shall create a
13 perfected security interest in the revenues, moneys, or property
14 so pledged and thereafter received by the corporation from and
15 after the time that a financing statement with respect to the
16 revenues, moneys, or property so pledged and thereafter received
17 shall be filed with the bureau of conveyances. Upon the filing,
18 the revenues, moneys, or property so pledged and thereafter
19 received by the corporation shall immediately be subject to the
20 lien of the pledge without any physical delivery thereof or
21 further act, and the lien of any such pledge shall be prior to
22 the lien of all parties having claims of any kind in tort,



1 contract, or otherwise against the corporation, irrespective of
2 whether the parties have notice thereof. This section shall
3 apply to any financing statement heretofore or hereafter filed
4 with the bureau of conveyances with respect to any pledge made
5 to secure revenue bonds issued under this chapter.

6 (f) Neither the members of the board nor any person
7 executing the bonds shall be liable personally on the bonds by
8 reason of the issuance thereof.

9 § -5 Bonds; interest rate, price, and sale. (a) The
10 bonds shall bear interest at rates payable at times that the
11 corporation, with the approval of the governor, may determine
12 except for deeply discounted bonds that are subject to
13 redemption or retirement at their accreted value; provided that
14 the discounted value of the bonds shall not exceed ten per cent
15 of any issue; and provided further that no bonds may be issued
16 without the approval of the director of finance and the
17 governor.

18 (b) The corporation may include the costs of undertaking
19 and maintaining any mass transit project or projects or loan
20 program for which the bonds are issued in determining the
21 principal amount of bonds to be issued. In determining the
22 costs of undertaking and maintaining the mass transit projects,



1 the corporation may include the cost of studies and surveys;
2 insurance premiums; underwriting fees; financial consultant,
3 legal, accounting, and other services incurred; reserve account,
4 trustee, custodian, and rating agency fees; and interest on the
5 bonds for a period determined by the corporation, or the
6 estimated expenditure of borrowed funds for any loan program for
7 which the bonds are issued."

8 SECTION 2. This Act shall take effect upon its approval.

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INTRODUCED BY: Will Eyo

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S.B. NO. 3038

Report Title:

County Mass Transit Financing; State Mass Transit Corporation

Description:

Establishes the state mass transit corporation to establish cooperative financing options for the counties in developing and financing mass transit.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

